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BMW of North America, LLC*

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

ARTEM V. GELIS, BHAWAR PATEL,
ROBERT MCDONALD, JAMES V. OLSON,
GREGORY HEYMAN, SUSAN HEYMAN,
DEBRA P. WARD, DARRIAN STOVALL,
ALEX MARTINEZ, AMANDA GOREY,
CHRIS WILLIAMS, ASHOK PATEL,
KENNETH GAGNON, MICHAEL CERNY,
ERHAN ARAT, ANDRE MALSKE, CRAIG
LASH, NICOLE GUY, DAVID
RICHARDSON, KAREN HENDERSON and
ERIC T. ZINN, individually and on behalf of
all others similarly situated,

Plaintiffs,

v.

BAYERISCHE MOTOREN WERKE
AKTIENGESELLSCHAFT and BMW OF
NORTH AMERICA, LLC,

Defendants.

Case No. 2:17-cv-7386-WHW-CLW

**DECLARATION IN SUPPORT OF
BMW OF NORTH AMERICA, LLC'S
MOTION TO DISMISS PLAINTIFFS'
CONSOLIDATED AMENDED
CLASS ACTION COMPLAINT**

CHRISTOPHER J. DALTON, of full age, and under penalty of perjury, declares as follows:

1. I am an attorney at law of the state of New Jersey and a shareholder in the law firm of Buchanan Ingersoll & Rooney PC, counsel to Defendant BMW of North America, LLC ("BMW NA"). I submit this Declaration in Support of BMW NA's Motion to Dismiss Plaintiff's Consolidated Amended Class Action Complaint.

2. Attached as **Exhibit A** is a true and correct copy of the November 2017 letter which BMW NA sent to approximately 433,000 owners and lessees of BMW vehicles with N20 and N26 engines.

3. Attached as **Exhibit B** is a true and correct copy of Service Information Bulletin 11 03 17 issued September 2017 prior to the November 2017 letter above, informing BMW Center service personnel that the customer notification letter was being sent out. Attached as **Exhibit C** is the current (January 2018) version of the Service Information Bulletin.

4. Attached as **Exhibit D** is an exemplar of the Limited Warranty for the class vehicles, including Plaintiff's vehicles, taken from the 2013 X Series Service and Warranty Manual.

/s/ Christopher J. Dalton
Christopher J. Dalton

Dated: April 16, 2018

EXHIBIT A

BMW



4-777-H335B-0000001-001-000-000-000-000

JANE SMITH
123 MY STREET
ANYTOWN NJ 00000-1227

November 2017

This **"Important Limited Warranty Information"** applies to the BMW vehicle with the Vehicle Identification Number (VIN) of **AAAAAAAAAAAAAAAAAA**.

Dear BMW Owner/Lessee:

BMW is committed to delivering the ultimate in product satisfaction to our customers.

Towards that end, BMW is extending the limited warranty for the engine's:

- **"Timing Chain and Oil Pump Drive Chain"**

On the above-referenced vehicle to:

- **7 years/70,000 miles as determined by your vehicle's original in-service date.**

This "component-specific" limited warranty extensions apply to defects in materials or workmanship. This coverage is subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

This is notice of a "limited warranty extension." This is not a notice of a Recall or Service Action.

If repairs to these components are required, please contact your nearest authorized BMW center in the United States or Puerto Rico to schedule an appointment. Your authorized BMW center will determine the vehicle's eligibility and review the scope of repairs that are covered by this component-specific limited warranty extension(s).

After vehicle inspection and diagnosis, eligible repair work will be performed by the authorized BMW center in the United States (including Puerto Rico) free of charge.

Repairs performed on ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues are not covered by this limited warranty extension. This exclusion applies to repairs, including consequential, that were performed using non-genuine BMW parts and/or used passenger car or light truck parts.

The integrity of our products is essential to BMW's success and our customers' trust. We are determined to exceed your expectations and hope this warranty extension further enhances your ownership experience.

Sincerely,

BMW of North America, LLC

B-ELWR 2017 N20, N26 Engine Timing Chain and Oil Pump Drive Chain 7Y70M

Company

BMW of North America, LLC
BMW Group Company

Mailing Address

PO Box 1227
Westwood, NJ
07675-1227

Telephone

(800) 831-1117

E-mail

Customerrelations@
bmwusa.com

Website

bmwusa.com

777-3000-0714

Previous Customer-pay Repairs – Limited Warranty Extension Reimbursement

BMW of North America, LLC

November 2017

VIN AAAAAAAAAAAAAA

Under these extended limited warranties, BMW of North America, LLC (“BMW NA”) will provide reimbursement for “qualifying customer-pay repairs” that were performed on an eligible vehicle **prior** to the release of these component-specific limited warranty extensions.

Customer-pay repairs are subject to the applicable vehicle and coverage eligibility requirements, exclusions and limitations that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

Repairs that do not Qualify for Reimbursement

Repairs performed on ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues. This exclusion applies to repairs, including consequential, that were performed using non-genuine BMW parts and/or used passenger car or light truck parts.

Requesting Reimbursement for a Previous Repair that Qualifies

If you previously had a “qualifying customer-pay repair” performed either by an authorized BMW center or independent repair shop located in the United States (including Puerto Rico), please submit your reimbursement request “online” at www.BMW-RP.com under the following reference:

Covered Component Code

B-ELWR 2017 N20, N26 Engine Timing Chain and Oil Pump Drive Chain 7Y70M

To initiate the online process, you will be asked to attach PDF files of the required documentation as outlined in the reimbursement checklist on the next page.

Alternative Method to Request Reimbursement

Alternatively, you may mail or fax your request and documentation to:

BMW Customer Reimbursement Center
Attention: B-ELWR 2017 N20, N26 Engine Timing Chain and Oil Pump Drive Chain 7Y70M
P.O. Box 561089
Dallas, TX 75356
Fax number: 877-434-2992

Please allow 4-6 weeks for processing your request.

Should you have any questions concerning this reimbursement process, please call 1-844-857-0341.

For all other questions, please contact BMW’s Customer Relations and Services via email at Customerrelations@bmwusa.com or via telephone at 1-800-831-1117.

Please have your 17-character Vehicle Identification Number (VIN) available and include the VIN with all communications.

N20, N26 Engine Timing Chain and Oil Pump Drive Chain: Limited Warranty Extension to 7 Years/70,000 Miles

Previous Customer-pay Repair Reimbursement – Documentation Checklist

BMW of North America, LLC

Reimbursement is available to the BMW Owner/Lessee who incurred the expense.

When submitting a reimbursement for a previous repair, please provide **legible copies** of the following documentation and include your VIN, name, address and your preferred contact telephone number(s):

Repair Order (RO) or Invoice

This document should include the following information:

- ☐ Customer name and address
- ☐ Vehicle Identification Number ("VIN")
- ☐ The date of repair
- ☐ The mileage when the repair was performed
- ☐ Itemized breakdown of the labor charges for all repairs* including diagnosis
- ☐ Itemized breakdown of the parts, including any miscellaneous items, billed for all repairs*

*For repair orders containing multiple repair line items, only the specific line item expenses that relate to the component that is covered by this extended limited warranty will be considered for reimbursement.

Proof of Payment

Please provide a copy of at least **one** of the following items as valid proof of payment:

- ☐ Repair order (RO)/invoice stamped and dated as "PAID"
- ☐ Copy of a cancelled check
- ☐ Copy of a signed credit/debit card receipt
- ☐ Copy of a credit/debit card statement

Determining if an eligible vehicle's repair qualifies for reimbursement:

Please use the following questions to review your repair order documentation prior to submitting a reimbursement request:

1. Why was the vehicle brought into the repair facility?
2. What was the repair facility's diagnosis?
3. What did the repair facility do to correct the concern and does it qualify?

EXHIBIT B



Service Information

B11 03 17

Page 1 of 9

September 2017

Technical Service

This Service Information bulletin supersedes SI B11 03 17 dated September 2017.

N20 AND N26 ENGINE TIMING CHAIN AND OIL PUMP DRIVE CHAIN: LIMITED WARRANTY EXTENSION TO 7 YEARS/70,000 MILES

Please read this Service Information bulletin in its entirety: the content has been completely updated.



What's New:

- A Consequential Repair(s) statement has been added to the Warranty Information section.

MODEL

E84 (X1 sDrive28i) with N20 engine produced from 6/2012 to 2/2015	E84 (X1 xDrive28i) with N20 engine produced 6/2012 to 2/2015	E89 (Z4 sDrive28 Roadster) with N20 engine produced from 6/2011 to 2/2015	F10 (528i Sedan) with N20 engine produced from 8/2011 to 2/2015
F10 (528i xDrive Sedan) with N20 engine produced from 8/2011 to 2/2015	F22 (228i Coupe) with N20 engine produced from 7/2013 to 2/2015	F22 (228i Coupe) with N26 engine produced from 10/2014 to 2/2015	F22 (228i xDrive Coupe) with N20 engine produced from 6/2014 to 2/2015
F22 (xDrive Coupe) with N26 engine produced from 10/2014 to 2/2015	F23 (228i Convertible) with N20 engine produced from 10/2014 to 2/2015	F23 (228i xDrive Convertible) with N20 engine produced 11/2014 2/2015	F25 (X3 sDrive28i) with N20 engine produced from 3/2014 to 2/2015
F25 (X3 xDrive 28i) with N20 engine produced from 3/2012 to 2/2015	F26 (X4 xDrive 28i) with N20 engine produced from 3/2014 to 2/2015	F30 (320i Sedan) with N20 engine produced from 2/2013 to 2/2015	F30 (320i xDrive Sedan) with N20 engine produced from 2/2013 to 2/2015
F30 (328i Sedan) with N20 engine produced from 6/2011 to 2/2015	F30 (328i xDrive Sedan) with N20 engine produced from 6/2012 to 2/2015	F30 (328i Sedan) with N26 engine produced from 2/2012 to 2/2015	F30 (328i xDrive Sedan) with N26 engine produced from 6/2012 to 2/2015
F31 (328i xDrive Sports Wagon) with N20 engine produced from 12/2012 to 2/2015	F32 (428i Coupe) with N20 engine produced from 6/2013 to 2/2015	F32 (428i xDrive Coupe) with N20 engine produced from 3/2013 to 2/2015	F32 (428i Coupe) with N26 engine produced from 7/2013 to 2/2015
F32 (428i xDrive Coupe) with N26 engine produced from 7/2013 to 2/2015	F33 (428i Convertible) with N20 engine produced from 10/2013 to 2/2015	F33 (428i xDrive Convertible) with N20 engine produced from 2/2014 to 2/2015	F33 (428i Convertible) with N26 engine produced from 11/2013 to 2/2015
F33 (428i xDrive Convertible) with N26 engine produced from 2/2014 to 2/2015	F34 (328i xDrive Gran Turismo) with N20 engine produced from 6/2013 to 2/2015	F34 (328i xDrive Gran Turismo) with N26 engine produced from 6/2014 to 2/2015	F36 (428i Gran Coupe) with N20 engine produced from 2/2014 to 2/2015

F36 (428i xDrive Gran Coupe) with N20 engine produced from 3/2014 to 2/2015	F36 (428i Gran Coupe) with N26 engine produced from 4/2014 to 2/2015	F36 (428i xDrive Gran Coupe) with N26 engine produced from 4/2014 to 2/2015
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Note: The “Model” information above is for informational purposes only, it is not the only deciding factor.

To determine vehicle eligibility and that this coverage applies, always perform a VIN-specific DCSnet Warranty Inquiry first; please refer to the “Eligible Vehicles” section of this bulletin for further details.

INFORMATION

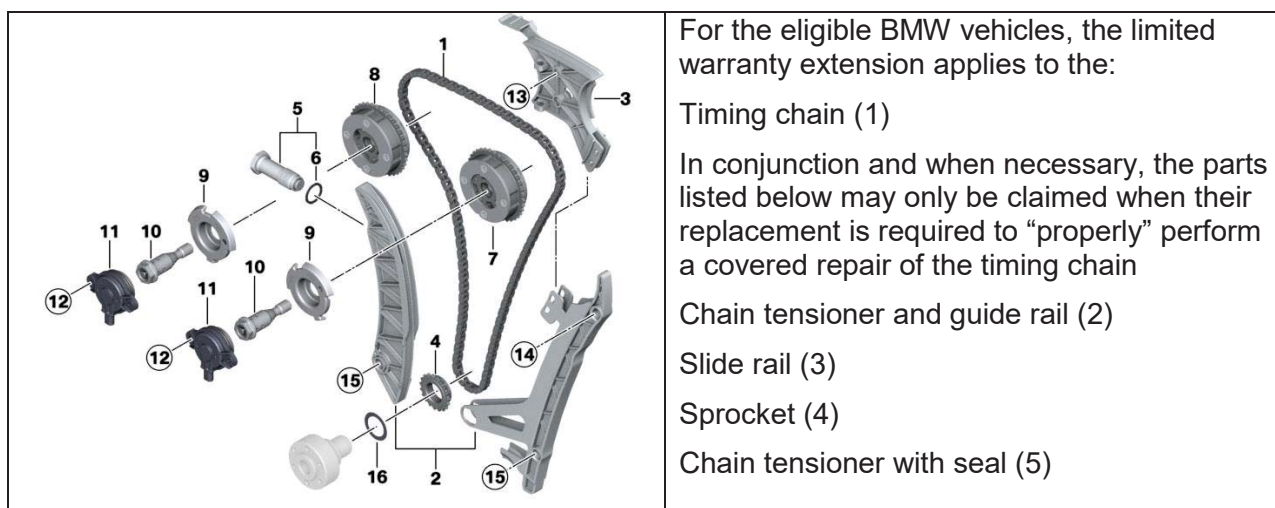
For the above-referenced vehicles, BMW of North America, LLC (“BMW NA”) is extending the limited warranty for the **engine timing chain and the oil pump drive chain** to:

- **7 years/70,000 miles as determined by the vehicle’s original in-service date**

This “component-specific” limited warranty extension applies to:

- Defects in materials or workmanship; and is also
- Subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

	<p>For the eligible BMW vehicles, the limited warranty extension applies to the:</p> <p>Drive chain for oil pump (2)</p> <p>In conjunction and when necessary, the parts listed below may only be claimed when their replacement is required to “properly” perform a covered repair of the drive chain for oil pump:</p> <p>Oil Pump Chain Module (1)</p> <p>Item #1 Chain Drive includes the gears, chain and tensioning device.</p> <p>The bolts are reusable as per the applicable repair instructions.</p>
<p>And:</p>	



Note: This bulletin is a notice of a component-specific “limited warranty extension. This is NOT a notice of a Recall or Service Action.

There is no immediate repair required unless the BMW vehicle is currently experiencing a problem with the timing chain and/or drive chain for oil pump.

Customer Notification Letter

This is **NOT** a Recall. However since this is a Warranty Extension, BMW NA will be sending customer notification letters.

ELIGIBLE VEHICLES

To assist you in identifying those vehicles that have this “component-specific” extended limited warranty coverage, the DCSnet Warranty Vehicle Inquiry has been updated with the VIN and Component-specific “Vehicle Comment” shown below:

For this vehicle, the timing chain and drive chain for the oil pump limited warranty for defects in materials or workmanship has been extended to 7 years/70,000 miles as determined from the original in-service date. This coverage is subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks. Please see SI B11 03 17 (DC 11 41 90 69 00).



Note: Before performing a repair and submitting a claim, first confirm that the vehicle has the above “Notice of Limited Warranty Extension” in the DCSnet Warranty Inquiry “Vehicle Comments” section.

The “model year” production start (SoP) and end date (EoP) for a specific “model variant” within a “Series” will vary, please do not use a vehicle’s production date as the sole determinant for this coverage.

If you have ELW eligibility and/or coverage question, please contact the Warranty department through IDS by selecting “Coverage, Policy and Coding” **prior** to performing any repairs.

SITUATION

Whining noise from the lower engine area near the engine oil pump that increases frequency when increasing the engine RPM.

CAUSE

Wear on the engine oil pump chain drive and timing chain sprockets.

CORRECTION

Replace the engine oil pump drive chain module, timing chain, timing chain tensioner, slide rail, tensioning rail and guide rail.

PROCEDURE

1. Verify the noise is present and compare to the noise found on the TIS Website using the following path:
2. Select "Service Reference" from the top menu bar.
3. Select "Service Videos."
4. Select "General Search."
5. Select "[11] Engine" and "Submit."

Select "V11 01 17 February 2017 – "N20/N26 High Pitched Engine Noise from Lower Engine Area"

6. If the engine noise is the same as the sound file on the TIS website then submit a TC Case with "N2X Engine Noise" in the subject line and wait for a response.

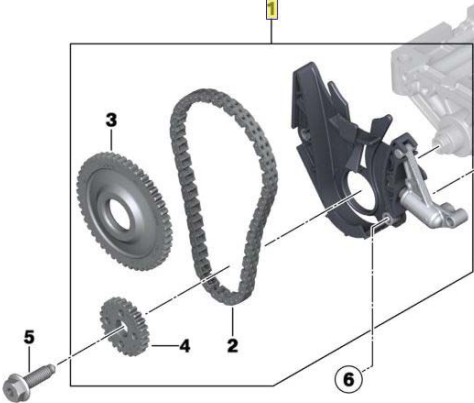
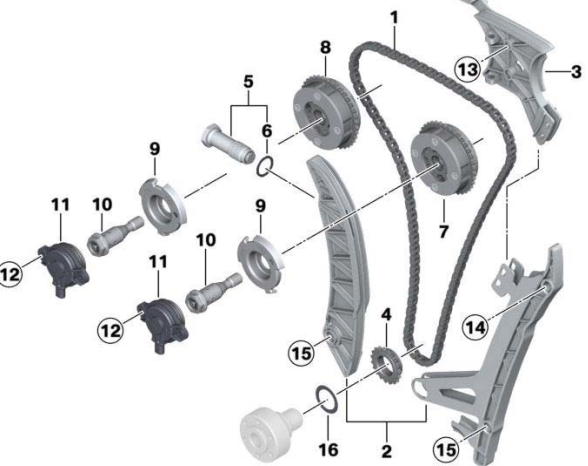
Do not replace any oil pump chain module or timing chain module components without TeileClearing authorization.

7. When authorization is provided, replace the following components as per Repair Instruction 11 41 010 "Removing and installing/replacing chain module for oil pump (N20, N26)".

And

Replace the timing chain module as per Repair Instruction 11 31 051 "Replacing timing chain (N20, N26)".

Change engine oil and filter.

	<p><u>Oil Pump Chain Module Overview</u></p> <p>Replace item #1 in the illustration.</p> <p>Item #1 Chain Drive includes the gears, chain and tensioning device.</p> <p>The bolts are reusable as per the applicable repair instructions.</p>
	<p><u>Timing Chain Module Overview</u></p> <p>Replace the following components in the illustration.</p> <ul style="list-style-type: none">#1 – Timing chain#2 – Chain tensioner and guide rail#3 – Slide rail#4 – Sprocket#5 – Chain tensioner with seal

PARTS INFORMATION

The parts information below only applies to the intake and the exhaust valve seal replacement.

Refer to the ETK and the applicable repair instructions for one-time use fasteners and/or component information regarding additional or replacement screws, gaskets, and seals that need to be installed and claimed.

Part Number	Description	Quantity
11 41 7 605 366	Chain Drive	1
11 31 8 648 732	Timing chain	1
11 31 7 592 877	Chain tensioner and guide rail	1
11 31 7 603 944	Sprocket	1
11 31 7 592 850	Slide rail	1
11 31 8 685 091	Chain tensioner with gasket ring	1
11 21 7 614 270	Collar screw	1
Refer to EPC	Engine oil filter kit	1
11 23 7 600 595	Washer – Manual transmission vehicles only – Enter the vin number into ETK to determine the requirement.	1

Bulk Materials - Sublet

83 21 2 365 950	0W-30 BMW Engine Oil 1 liter	Up to 5.3 liters
	Or	
83 21 2 449 994	0W-30 BMW Engine Oil Bulk	Up to 5.3 liters
82 14 1 467 704	Antifreeze*	As needed

*Replacing drained quantity with a “50/50 antifreeze/water solution

WARRANTY INFORMATION

The timing chain and drive chain for the oil pump limited warranty extension to 7 years/70,000 miles applies to “eligible US-specification BMW vehicles” that are registered, operated and have their covered repair performed by an authorized BMW center in the United States (including Puerto Rico).

The existing limited warranty coverage for the whole vehicle and other components has not changed.

This coverage supersedes the coverage that is provided under the BMW Certified Pre-Owned Program or any BMW Vehicle Service Contract that applies to the vehicle.

Should these components fails again, they are covered by the remaining portion of the extended limited warranty coverage period.

Non-Qualifying Repairs

Non-US specification vehicles, ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues are not covered under the terms of this limited warranty extension.

Qualifying Repairs - Claim Submission

Claim this work with the defect code and labor operations provided below that apply.

Defect Code:	1141906900	
Labor Operation:	Labor Allowance:	Description:
00 62 282	Refer to KSD2	Replace the oil pump chain module and timing chain module (including replace the engine oil and engine oil filter) (Main work)
Or:		
00 62 987	Refer to KSD2	Replace the oil pump chain module and timing chain module (including replace the engine oil and engine oil filter) (Plus work – Vehicle already in the workshop)

BMW Maintenance Program

If the vehicle has a “active” maintenance program and the “Engine oil” Service task shows “Recommended or Due” in the Service status field or it “qualifies” to be performed based on the “60-day Bundling” procedure (See SI B01 06 13), then:

- Perform the “Engine oil” Service task; and
- “Reset” the CBS data.

Claim and submit the engine oil and filter “part numbers” under the:

- BMW Maintenance Program (Defect Code).

Claim the remaining repair-related items that are outlined in this Service Information bulletin under:

- Defect Code “11 41 90 69 00” with flat rate labor operation “00 62 987.”

And:

Sublet – Bulk Materials

Sublet Code “4”	See sublet reimbursement calculation below	Reimbursement for used quantities of required operating fluids, including engine oil only when it is not claimed under the BMW Maintenance Program (applicable BMW part numbers). Please do not use these part numbers for claim submission.
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BMW Antifreeze/Coolant for the amount needed to replace what was drained with a “50/50 coolant/water solution” at dealer net plus your center’s handling (BMW part number).

Reimbursement for other used quantities of required operating fluids (applicable BMW part numbers) at dealer net plus your center’s handling.

Enter the material cost in sublet and itemize the amount on the repair order and in the claim comment section.

Consequential Repair(s)

When additional, other work and/or parts are required as a **“direct result”** of the issue described in this bulletin, claim these items under the defect code listed above together the applicable labor operations listed in KSD2.

Explain and itemize this consequential repair work on the repair order and in the claim comment section.

Overlapping Labor Procedure – Other Repairs

If invoicing the KSD2 flat rate labor operation codes for other repair work results in overlapping labor, for those flat rate labor operations that are affected, you can now:

- Replace the stated KSD2 “FRU allowance” with a “reduced FRU value” to eliminate the overlapping labor.

For help in identifying the overlapping labor, please refer to the AIR FRU Plausibility Check (Overlapping Labor Tool) that is located in the AIR Client.

Eligible other repair work being claimed under a different defect code will require separate punch times.

On the repair order and in the claim comment section, please identify and itemize those labor operations being claimed with a “reduced FRU value.”

Previous Customer-pay Repairs – Limited Warranty Extension Reimbursement

BMW of North America, LLC (“BMW NA”) will provide reimbursement for “qualifying customer-pay repairs” that were performed on an eligible vehicle **prior** to the release of this component-specific limited warranty extension.

Customer-pay repairs are subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

Repairs that do not Qualify for Reimbursement

Repairs performed on ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues. This exclusion also applies to repairs that were performed using (including those repairs that result from using) non-genuine BMW parts and/or used passenger car or light truck parts.

Requesting Reimbursement for a Previous Repair that Qualifies

For a customer to request reimbursement for a “qualifying customer-pay repair” performed either by an authorized BMW center or independent repair shop located in the United States (including Puerto Rico), please have him/her submit his/her reimbursement request “online” at www.BMW-RP.com under the following reference:

- **B-ELWR 2017 Timing Chain/Oil Pump Drive Chain 7Y70M**

Reimbursement Request Procedure

The online process is initiated by attaching/sending “PDF files” of the supporting documentation for the “prior repair.”

The website, the customer-pay reimbursement attachment to this bulletin and the soon to be mailed customer letters all provide information as to “what” documentation is needed to be supplied to support a prior repair.

Alternative methods to request reimbursement, either through the mail or by fax, are also provided.

A copy of the “Customer-pay” reimbursement attachment may be printed and provided to the customer.

B11 03 17 Attachment

September 2017

N20 and N26 Engine Timing Chain and Oil Pump Drive Chain – Limited Warranty Extension to 7 Years/70,000 Miles

Previous Customer-pay Repairs – Limited Warranty Extension Reimbursement

Under this extended limited warranty, BMW of North America, LLC (“BMW NA”) will provide reimbursement for “qualifying customer-pay repairs” that were performed on an eligible vehicle **prior** to the release of this component-specific limited warranty extension.

Customer-pay repairs are subject to the applicable vehicle and coverage eligibility requirements, exclusions and limitations that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

Requesting Reimbursement for a Previous Repair that Qualifies

If you previously had a “qualifying customer-pay repair” performed either by an authorized BMW center or independent repair shop located in the United States (including Puerto Rico), please submit your reimbursement request “online” at www.BMW-RP.com under the following reference:

- **B-ELWR 2017 Timing Chain and Oil Drive Chain 7Y70M**

The online process is initiated by attaching/sending “PDF files” of the supporting documentation for the “prior repair.”

Alternative Method to Request Reimbursement

Mail or fax your request and documentation to:

BMW Customer Reimbursement Center
Attention: B-ELWR 2017 Timing Chain and Oil Drive Chain 7Y70M
P.O. Box 561089
Dallas, Texas 75356

Fax number: 877-434-2992

Please allow 4-6 weeks for processing your request.

Should you have any questions concerning this reimbursement process, please call 1-844-857-0341.

For all other questions, please contact the BMW’s Customer Relations and Services via email at Customerrelations@bmwusa.com or via telephone at 1-800-831-1117.

Please have your 17-character Vehicle Identification Number (VIN) available and include the VIN with all communications.

N20 AND N26 Engine Timing Chain and Oil Drive Chain – Limited Warranty Extension to 7 Years/70,000 Miles

Previous Customer-Pay Repair Reimbursement – Documentation Checklist

BMW of North America, LLC

Reimbursement is available to the BMW Owner/Lessee who incurred the expense.

When submitting a reimbursement for a qualifying previous repair, please provide **legible copies** of the following documentation and include your VIN, name, address and your preferred contact telephone number(s):

Repair Order (RO) or Invoice

This document should include the following information:

- ☐ Customer name and address
- ☐ Vehicle Identification Number ("VIN")
- ☐ The date of repair
- ☐ The mileage when the repair was performed
- ☐ Itemized breakdown of the labor charges for all repairs* including diagnosis
- ☐ Itemized breakdown of the parts, including any miscellaneous items, billed for all repairs*

*For repair orders containing multiple repair line items, only the specific line item expenses that pertain to the recall repair will be considered for reimbursement.

Proof of Payment

Please provide a copy of at least **one** of the following items as valid proof of payment:

- ☐ Repair order (RO)/invoice stamped and dated as "PAID"
- ☐ Copy of a cancelled check
- ☐ Copy of a signed credit/debit card receipt
- ☐ Copy of a credit/debit card statement

Determining if an eligible vehicle's repair qualifies for reimbursement:

Please use the following questions to review your repair order documentation prior to submitting a reimbursement request:

1. Why was the vehicle brought into the repair facility?
2. What was the repair facility's diagnosis?
3. What did the repair facility do to correct the concern and does it qualify?

EXHIBIT C



Service Information

B11 03 17

Page 1 of 9

January 2018

Technical Service

This Service Information bulletin supersedes SI B11 03 17 dated **September 2017**.

N20 AND N26 ENGINE TIMING CHAIN AND OIL PUMP DRIVE CHAIN: LIMITED WARRANTY EXTENSION TO 7 YEARS/70,000 MILES

New information provided by this revision is preceded by this symbol.



What's New:

- Wheel alignment statement is added to the procedure section.

MODEL

E84 (X1 sDrive28i) with N20 engine produced from 6/2012 to 2/2015	E84 (X1 xDrive28i) with N20 engine produced 6/2012 to 2/2015	E89 (Z4 sDrive28 Roadster) with N20 engine produced from 6/2011 to 2/2015	F10 (528i Sedan) with N20 engine produced from 8/2011 to 2/2015
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F31 (328i xDrive Sports Wagon) with N20 engine produced from 12/2012 to 2/2015	F32 (428i Coupe) with N20 engine produced from 6/2013 to 2/2015	F32 (428i xDrive Coupe) with N20 engine produced from 3/2013 to 2/2015	F32 (428i Coupe) with N26 engine produced from 7/2013 to 2/2015
F32 (428i xDrive Coupe) with N26 engine produced from 7/2013 to 2/2015	F33 (428i Convertible) with N20 engine produced from 10/2013 to 2/2015	F33 (428i xDrive Convertible) with N20 engine produced from 2/2014 to 2/2015	F33 (428i Convertible) with N26 engine produced from 11/2013 to 2/2015
F33 (428i xDrive Convertible) with N26 engine produced from 2/2014 to 2/2015	F34 (328i xDrive Gran Turismo) with N20 engine produced from 6/2013 to 2/2015	F34 (328i xDrive Gran Turismo) with N26 engine produced from 6/2014 to 2/2015	F36 (428i Gran Coupe) with N20 engine produced from 2/2014 to 2/2015

F36 (428i xDrive Gran Coupe) with N20 engine produced from 3/2014 to 2/2015	F36 (428i Gran Coupe) with N26 engine produced from 4/2014 to 2/2015	F36 (428i xDrive Gran Coupe) with N26 engine produced from 4/2014 to 2/2015
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Note: The “Model” information above is for informational purposes only, it is not the only deciding factor.

To determine vehicle eligibility and that this coverage applies, always perform a VIN-specific DCSnet Warranty Inquiry first; please refer to the “Eligible Vehicles” section of this bulletin for further details.

INFORMATION

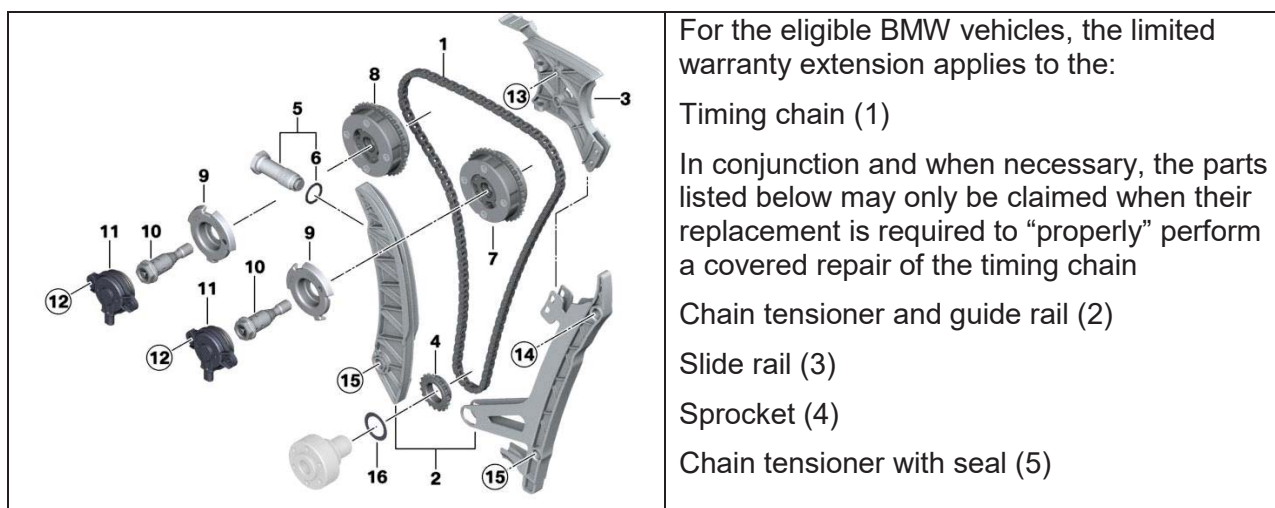
For the above-referenced vehicles, BMW of North America, LLC (“BMW NA”) is extending the limited warranty for the **engine timing chain and the oil pump drive chain** to:

- **7 years/70,000 miles as determined by the vehicle’s original in-service date**

This “component-specific” limited warranty extension applies to:

- Defects in materials or workmanship; and is also
- Subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

	<p>For the eligible BMW vehicles, the limited warranty extension applies to the:</p> <p>Drive chain for oil pump (2)</p> <p>In conjunction and when necessary, the parts listed below may only be claimed when their replacement is required to “properly” perform a covered repair of the drive chain for oil pump:</p> <p>Oil Pump Chain Module (1)</p> <p>Item #1 Chain Drive includes the gears, chain and tensioning device.</p> <p>The bolts are reusable as per the applicable repair instructions.</p>
And:	



Note: This bulletin is a notice of a component-specific “limited warranty extension. This is NOT a notice of a Recall or Service Action.

There is no immediate repair required unless the BMW vehicle is currently experiencing a problem with the timing chain and/or drive chain for oil pump.

Customer Notification Letter

This is **NOT** a Recall. However since this is a Warranty Extension, BMW NA will be sending customer notification letters.

ELIGIBLE VEHICLES

To assist you in identifying those vehicles that have this “component-specific” extended limited warranty coverage, the DCSnet Warranty Vehicle Inquiry has been updated with the VIN and Component-specific “Vehicle Comment” shown below:

For this vehicle, the timing chain and drive chain for the oil pump limited warranty for defects in materials or workmanship has been extended to 7 years/70,000 miles as determined from the original in-service date. This coverage is subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks. Please see SI B11 03 17 (DC 11 41 90 69 00).



Note: Before performing a repair and submitting a claim, first confirm that the vehicle has the above “Notice of Limited Warranty Extension” in the DCSnet Warranty Inquiry “Vehicle Comments” section.

The “model year” production start (SoP) and end date (EoP) for a specific “model variant” within a “Series” will vary, please do not use a vehicle’s production date as the sole determinant for this coverage.

If you have ELW eligibility and/or coverage question, please contact the Warranty department through IDS by selecting “Coverage, Policy and Coding” **prior** to performing any repairs.

SITUATION

Whining noise from the lower engine area near the engine oil pump that increases frequency when increasing the engine RPM.

CAUSE

Wear on the engine oil pump chain drive and timing chain sprockets.

CORRECTION

Replace the engine oil pump drive chain module, timing chain, timing chain tensioner, slide rail, tensioning rail and guide rail.

PROCEDURE

1. Verify the noise is present and compare to the noise found on the TIS Website using the following path:
2. Select "Service Reference" from the top menu bar.
3. Select "Service Videos."
4. Select "General Search."
5. Select "[11] Engine" and "Submit."

Select "V11 01 17 February 2017 – "N20/N26 High Pitched Engine Noise from Lower Engine Area"

6. If the engine noise is the same as the sound file on the TIS website then submit a TC Case with "N2X Engine Noise" in the subject line and wait for a response.

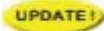
Do not replace any oil pump chain module or timing chain module components without TeileClearing authorization.

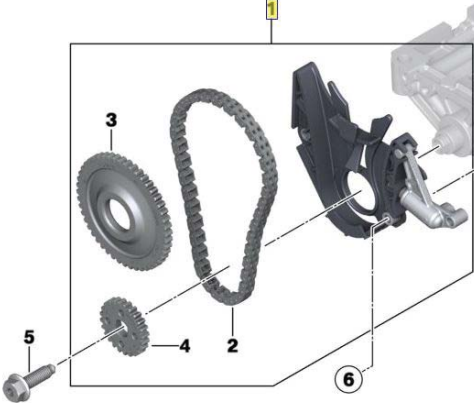
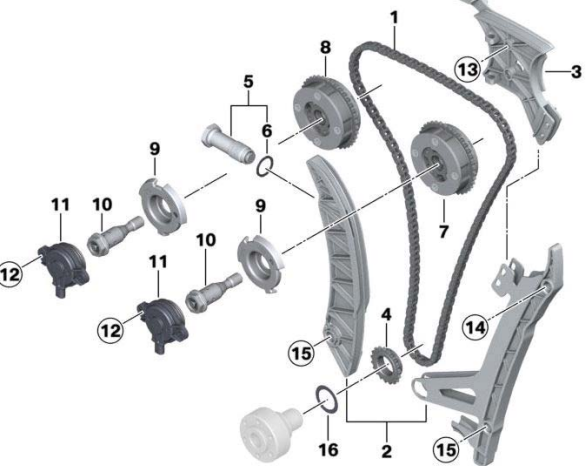
7. When authorization is provided, replace the following components as per Repair Instruction 11 41 010 "Removing and installing/replacing chain module for oil pump (N20, N26)".

And

Replace the timing chain module as per Repair Instruction 11 31 051 "Replacing timing chain (N20, N26)".

Change engine oil and filter.

8. Perform a wheel alignment. The labor for the wheel alignment is included in labor operations 00 62 282 and 00 62 987 (Wheel alignment check with KDS ride-height measurement without load and adjusting as necessary) 

	<p><u>Oil Pump Chain Module Overview</u></p> <p>Replace item #1 in the illustration.</p> <p>Item #1 Chain Drive includes the gears, chain and tensioning device.</p> <p>The bolts are reusable as per the applicable repair instructions.</p>
	<p><u>Timing Chain Module Overview</u></p> <p>Replace the following components in the illustration.</p> <ul style="list-style-type: none">#1 – Timing chain#2 – Chain tensioner and guide rail#3 – Slide rail#4 – Sprocket#5 – Chain tensioner with seal

PARTS INFORMATION

Refer to the ETK and the applicable repair instructions for one-time use fasteners and/or component information regarding additional or replacement screws, gaskets, and seals that need to be installed and claimed.

Part Number	Description	Quantity
11 41 7 605 366	Chain Drive	1
11 31 8 648 732	Timing chain	1
11 31 7 592 877	Chain tensioner and guide rail	1
11 31 7 603 944	Sprocket	1
11 31 7 592 850	Slide rail	1
11 31 8 685 091	Chain tensioner with gasket ring	1
11 21 7 614 270	Collar screw	1
Refer to EPC	Engine oil filter kit	1
11 23 7 600 595	Washer – Manual transmission vehicles only – Enter the vin number into ETK to determine the requirement.	1

Bulk Materials - Sublet

83 21 2 365 950	0W-30 BMW Engine Oil 1 liter	Up to 5.3 liters
	Or	
83 21 2 449 994	0W-30 BMW Engine Oil Bulk	Up to 5.3 liters
82 14 1 467 704	Antifreeze*	As needed

*Replacing drained quantity with a “50/50 antifreeze/water solution

WARRANTY INFORMATION

The timing chain and drive chain for the oil pump limited warranty extension to 7 years/70,000 miles applies to “eligible US-specification BMW vehicles” that are registered, operated and have their covered repair performed by an authorized BMW center in the United States (including Puerto Rico).

The existing limited warranty coverage for the whole vehicle and other components has not changed.

This coverage supersedes the coverage that is provided under the BMW Certified Pre-Owned Program or any BMW Vehicle Service Contract that applies to the vehicle.




Should these components fails again, they are covered by the remaining portion of the extended limited warranty coverage period.

Non-Qualifying Repairs

Non-US specification vehicles, ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues are not covered under the terms of this limited warranty extension.

Qualifying Repairs - Claim Submission

Claim this work with the defect code and labor operations provided below that apply.

Defect Code:	1141906900	
Labor Operation:	Labor Allowance:	Description: 
00 62 282	Refer to KSD2	Replace the oil pump chain module and timing chain module (includes replacing the engine oil, the engine oil filter, a wheel alignment check with KDS ride-height measurement without load and adjusting as necessary) (Main work) 
Or:		
00 62 987	Refer to KSD2	Replace the oil pump chain module and timing chain module (includes replacing the engine oil, the engine oil filter, a wheel alignment check with KDS ride-height measurement without load and adjusting as necessary) (Plus work – Vehicle already in the workshop) 

BMW Maintenance Program

If the vehicle has a “active” maintenance program and the “Engine oil” Service task shows “Recommended or Due” in the Service status field or it “qualifies” to be performed based on the “60-day Bundling” procedure (See SI B01 06 13), then:

- Perform the “Engine oil” Service task; and
- “Reset” the CBS data.

Claim and submit the engine oil and filter “part numbers” under the:

- BMW Maintenance Program (Defect Code).

Claim the remaining repair-related items that are outlined in this Service Information bulletin under:

- Defect Code “11 41 90 69 00” with flat rate labor operation “00 62 987.”

And:

Sublet – Bulk Materials

Sublet Code “4”	See sublet reimbursement calculation below	Reimbursement for used quantities of required operating fluids, including engine oil only when it is not claimed under the BMW Maintenance Program (applicable BMW part numbers). Please do not use these part numbers for claim submission.
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BMW Antifreeze/Coolant for the amount needed to replace what was drained with a “50/50 coolant/water solution” at dealer net plus your center’s handling (BMW part number).

Reimbursement for other used quantities of required operating fluids (applicable BMW part numbers) at dealer net plus your center’s handling.

Enter the material cost in sublet and itemize the amount on the repair order and in the claim comment section.

Consequential Repair(s)

When additional, other work and/or parts are required as a “**direct result**” of the issue described in this bulletin, claim these items under the defect code listed above together the applicable labor operations listed in KSD2.

Explain and itemize this consequential repair work on the repair order and in the claim comment section.

Overlapping Labor Procedure – Other Repairs

If invoicing the KSD2 flat rate labor operation codes for other repair work results in overlapping labor, for those flat rate labor operations that are affected, you can now:

- Replace the stated KSD2 “FRU allowance” with a “reduced FRU value” to eliminate the overlapping labor.

For help in identifying the overlapping labor, please refer to the AIR FRU Plausibility Check (Overlapping Labor Tool) that is located in the AIR Client.

Eligible other repair work being claimed under a different defect code will require separate punch times.

On the repair order and in the claim comment section, please identify and itemize those labor operations being claimed with a “reduced FRU value.”

Previous Customer-pay Repairs – Limited Warranty Extension Reimbursement

BMW of North America, LLC (“BMW NA”) will provide reimbursement for “qualifying customer-pay repairs” that were performed on an eligible vehicle **prior** to the release of this component-specific limited warranty extension.

Customer-pay repairs are subject to the same vehicle eligibility requirements, limitations, and exclusions that apply to the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks.

Repairs that do not Qualify for Reimbursement

Repairs performed on ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues. This exclusion also applies to repairs that were performed using (including those repairs that result from using) non-genuine BMW parts and/or used passenger car or light truck parts.

Requesting Reimbursement for a Previous Repair that Qualifies

For a customer to request reimbursement for a “qualifying customer-pay repair” performed either by an authorized BMW center or independent repair shop located in the United States (including Puerto Rico), please have him/her submit his/her reimbursement request “online” at www.BMW-RP.com under the following reference:

- **B-ELWR 2017 Timing Chain/Oil Pump Drive Chain 7Y70M**

Reimbursement Request Procedure

The online process is initiated by attaching/sending “PDF files” of the supporting documentation for the “prior repair.”

The website, the customer-pay reimbursement attachment to this bulletin and the soon to be mailed customer letters all provide information as to “what” documentation is needed to be supplied to support a prior repair.

Alternative methods to request reimbursement, either through the mail or by fax, are also provided.

A copy of the “Customer-pay” reimbursement attachment may be printed and provided to the customer.

EXHIBIT D



**New SAV Limited Warranty —
2013 Models
(Valid only in the U.S.A. including
Puerto Rico)**

Warrantor

BMW of North America, LLC (BMW NA) warrants 2013 U.S.-specification SAVs distributed by BMW NA or sold through the BMW NA European Delivery Program against defects in materials or workmanship to the first retail purchaser, and each subsequent purchaser.

Warranty Period

The warranty period is 48 months or 50,000 miles, whichever occurs first.

Warranty Begins

Coverage begins on the date of first retail sale or the date the vehicle is first placed into service as a sales demonstrator, Aftersales Mobility Program (AMP) Vehicle or company vehicle, whichever is earlier.

Warranty Coverage

To obtain warranty service coverage, the vehicle must be brought, upon discovery of a defect in material or workmanship, to the workshop of any authorized BMW SAV center in the United States or Puerto Rico, during normal business hours. The authorized BMW SAV center will, without charge for parts or labor, either repair or replace the defective part(s) using new or authorized remanufactured parts. The decision to repair or replace said part(s) is solely the prerogative of BMW NA. Parts for which replacements are made become the property of BMW NA.

In all cases, a reasonable time must be allowed for warranty repairs to be completed after the vehicle is received by the authorized BMW SAV center.

Safety Belt Warranty - Kansas

Safety belts are covered under the New SAV Limited Warranty for defects in material or workmanship for a period of 10 years, unlimited mileage from the date of purchase. In order to be eligible for this coverage, the vehicle must be a new SAV retailed in the State of Kansas and the repair performed by an authorized BMW SAV center in Kansas.

Other Items

Wheel alignment, balancing and wiper blade inserts are covered up to the first 2,000 miles on the vehicle.

Items which are subject to wear and tear or deterioration due to driving habits or conditions, such as brake pads/linings, brake discs, clutch disc, pressure plate, filters, upholstery, trim and chrome items, paint finish, drive belts, glass, and similar items, are specifically limited to defects in material or workmanship.

What is not covered:

Remote control transmitter battery replacement.

Damage, including consequential, which results from negligence, improper operation of the vehicle, improper repair, lack of or improper maintenance, environmental influences, flood, accident or fire damage, road salt corrosion, or use of improper or contaminated fuel.

Damage to the engine, transmission or any related component caused by improper shifting of the transmission.

Maintenance services and parts when replaced during maintenance such as spark plugs (gasoline engines only), lubricants, fluids, engine tune-up parts, replacement of filters, coolant, and refrigerant.

Failure to maintain the vehicle properly in accordance with the instructions in the Owner's Manual or the Service section of this Statement, that results in the failure of any part of the vehicle.

Modification of the vehicle or installation of any performance accessories or components attached to the vehicle which alters the original engineering and/or operating specifications or which result in damage to the other original components, electrical interference, electrical short, radio static, water leaks and wind noise.

Tires are warranted by their respective manufacturer. See the Tire Warranty Statement on page 33.

Driving over rough or damaged road surfaces, as well as debris, curbs and other obstacles can cause serious damage to wheels, tires and suspension parts. This is more likely to occur with low-profile tires that provide less cushioning between the wheel and the road. Be careful to avoid road hazards and reduce your speed, especially if your vehicle is equipped with low-profile tires.

Non-genuine BMW Parts - While you may elect to use non-genuine BMW parts for maintenance or repair services, BMW NA is not obligated to pay for repairs that include non-genuine BMW parts or for any damage resulting from the use of non-genuine parts.

BMW NA will not accept any liability for any parts and accessories not approved by BMW.

This warranty shall be null and void if the Vehicle Identification Number (VIN) has been altered or cannot be read, if the odometer has been replaced or altered and the true mileage cannot be determined, if the vehicle has been declared a total loss or sold for salvage purposes, or if the vehicle has been used in any competitive event.

General

These warranties give you specific legal rights, and you may also have other rights which vary from state to state.

THE DURATION OF ANY IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY, IS LIMITED TO THE DURATION OF THE EXPRESS WARRANTIES HEREIN.

BMW NA HEREBY EXCLUDES INCIDENTAL AND CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF TIME, INCONVENIENCE, OR LOSS OF USE OF THE VEHICLE, FOR ANY BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY, APPLICABLE TO THIS PRODUCT.

Some states do not allow limitations on how long an implied warranty lasts, or the exclusion or limitation of incidental or consequential damages, so the above limitations and exclusions may not apply to you.

Limited Warranty — Rust Perforation 2013 Models

BMW of North America, LLC (BMW NA) warrants this original vehicle against defects in materials or workmanship which will result in rust perforation of the vehicle body for a period of 12-years unlimited mileage. Coverage begins on the date of first retail sale or the date the vehicle is first placed into service as a sales demonstrator, Aftersales Mobility Program (AMP) Vehicle or company vehicle, whichever is earlier.

To obtain warranty service coverage, the vehicle must be brought, upon discovery of any rust perforation, to the workshop of any authorized BMW SAV center. This authorized BMW SAV center will, without charge for parts or labor, either repair or replace the defective part(s). The decision to repair or replace said part(s) is solely the prerogative of BMW NA. Parts for which replacements are made become the property of BMW NA.

BMW of North America, LLC (BMW NA) makes no other express warranty on this product except the New SAV Limited Warranty or the warranty as to the emission control system.